

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

NOTICE OF PROPOSED
CLASS ACTION SETTLEMENT

To: All persons who purchased or otherwise acquired and owned Santee Cooper Mini-Bonds at any time between May 1, 2014 and July 31, 2017.

A FEDERAL COURT HAS AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER. THIS NOTICE AFFECTS YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY AND COMPLETELY.

This Notice informs you of a proposed Settlement of certain class action claims against South Carolina Public Service Authority (“Santee Cooper”) and Lonnie N. Carter (collectively, “Defendants”) concerning the sale and purchase of Santee Cooper’s Mini-Bonds. **This Notice advises you of your rights with respect to the proposed Settlement, including your right to receive an automatic payment, your right to exclude yourself from the Settlement, and your right to object to the Settlement.**

GENERAL INFORMATION

What is the purpose of this Notice?

This Notice is to inform you of this proposed class action Settlement, to alert you to the fact that you have been identified as a member of the Settlement Class preliminarily certified by the Court, and to inform you of your rights and options as a member of the Settlement Class.

If you purchased or otherwise acquired and owned certain Santee Cooper Mini-Bonds between May 1, 2014 and July 31, 2017, or if you succeeded in interest, were assigned, or are the beneficiary of a Person who purchased or acquired and owned Mini-Bonds during that time period, you may be entitled to receive monetary benefits under a settlement of legal claims relating to those Mini-Bond(s). If you transferred your interest in any acquired Mini-Bond, you will not receive a monetary benefit.

If the Court grants final approval of the Settlement and it becomes effective, you do not have to do anything to receive payment under the Settlement. As set forth below, you also have the

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option to object to the proposed Settlement, or you may exclude yourself from the Settlement. If you choose to exclude yourself from the Settlement, you will not receive any payments from the Settlement, and you will retain the right to file any claim you may have against Defendants on your own and at your own expense.

What is a class action lawsuit?

In a class action, one or more people called “Lead Plaintiffs” (in this case, Murray C. Turk) sue on behalf of people who have similar claims. All these people are a “Settlement Class” or “Settlement Class Members.” The Lead Plaintiff who sued – and all the Settlement Class Members like him – are collectively called Plaintiffs. The entities the Lead Plaintiff sued are called the Defendants. One court resolves the issues for all Settlement Class Members, except for those who may choose to exclude themselves from the Settlement Class. This Notice is provided because the Defendants have agreed to a proposed Settlement with the Settlement Class, and the Court has decided that this matter should proceed as a class action lawsuit.

INFORMATION ABOUT THE SETTLEMENT CLASS

What is the nature of this class action lawsuit?

This lawsuit was filed in April 2019. Lead Plaintiff alleges, among other things, that Defendants made false and misleading statements and concealed and failed to disclose certain information in Santee Cooper’s Mini-Bond offering documents for 2014, 2015, and 2016 regarding the construction of Units 2 and 3 in the V.C. Summer Nuclear Project (the “Project”). Lead Plaintiff alleges that as a result of Defendants’ actions, the interest rates of the Mini-Bonds were artificially depressed from May 1, 2014 through July 31, 2017 (the “Class Period”) and therefore, Lead Plaintiff and Settlement Class Members were damaged by receiving artificially deflated interest payments for the Mini-Bonds. Lead Plaintiff’s allegations are detailed in the Complaint, a copy of which may be reviewed at www.strategicclaims.net/santee-cooper-settlement/.

Defendants deny that they engaged in any wrongful conduct or that they violated the law in any way. Defendants contend that the claims asserted in this litigation have no merit, and they have agreed to the proposed Settlement to put to rest this controversy and avoid the risks inherent in complex litigation.

How is the Settlement Class defined?

By Order dated February 11, 2021, the United States District Court for the District of South Carolina, Charleston Division, (the “Court”) preliminarily certified (defined) the following Class of persons in this case:

All persons or entities who purchased or otherwise acquired and owned Santee Cooper Mini-Bonds from May 1, 2014 through July 31, 2017, inclusive, and who were damaged thereby, and including those Persons’ successors in interest, transferees in interest, assigns, or beneficiaries, if any.

Excluded from the Class are Defendants; members of the immediate family of any Defendant who is an individual; the officers and directors of Santee Cooper during the Class Period; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; and the legal representatives, affiliates, heirs, successors-in-interest, or assigns of any such excluded person or entity.

This Notice is being sent to you based upon records indicating that you are a member of the Settlement Class. If, by operation of law, you have transferred your interest in a Mini-Bond to another individual, that individual is entitled to a disbursement under this Settlement. If such a transfer has occurred, you can contact the Settlement Administrator at the information below.

Who is the Lead Plaintiff in this lawsuit?

The Court designated Murray C. Turka to act as the Lead Plaintiff.

Who is Class Counsel in this lawsuit?

The Court appointed Christopher L. Nelson and James M. Ficaro of The Weiser Law Firm, P.C., and William E. Hopkins of Hopkins Law Firm, LLC, as Class Counsel.

Who are the Defendants in this lawsuit?

The South Carolina Public Service Authority and Lonnie N. Carter are the Defendants in this lawsuit.

PROPOSED PLAN OF CALCULATION AND DISTRIBUTION PLAN

Pursuant to the proposed Settlement, Defendants will provide benefits to the Settlement Class consisting of two million dollars (\$2,000,000.00) in cash relief (the “Settlement Benefit”). The \$2,000,000.00 Settlement Benefit, less an award of attorneys’ fees and expenses to be awarded by the Court, will be distributed to Class Members who have not transferred their interest in a Mini-Bond (“Authorized Recipient”) on a pro rata basis subject to Court approval. At this time, Class Counsel estimates that Class Members will receive approximately \$5.53 per \$500 invested in Santee Cooper Mini Bonds during the Class Period. This amount is only an approximation and is subject to change based on factors, including Court approval of attorneys’ fees and the number of Class Members who choose to exclude themselves from the Settlement.

YOUR OPTIONS AND RIGHTS WITH RESPECT TO THIS PROPOSED SETTLEMENT

You have a choice. You can remain a member of the Settlement Class *or* you have the right to exclude yourself from the Settlement Class. If you remain a member of the Settlement Class, you will participate in the proposed Settlement, if it is finally approved by the Court, and will become

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a “Class Member.” If you remain a member of the Settlement Class, you also have the right to object in writing to any part of the Settlement if you choose to do so. Each of these choices has consequences that you should understand before making your decision.

A. If you wish to remain a member of the Settlement Class and participate in the proposed Settlement, YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.

If you wish to remain a member of the Settlement Class and participate in the proposed Settlement:

1. You will be entitled to receive the benefits provided by this proposed Settlement if the Court grants final approval of the Settlement.
2. Pursuant to the proposed Settlement, Defendants will provide the Settlement Benefit to the Settlement Class consisting of two million dollars (\$2,000,000.00) in cash relief.
3. The Settlement Benefit will be distributed to Class Members on a pro rata plan to be approved by the Court. Payments from the Settlement Benefit will be made proportionately to Class Members after deducting (1) attorneys’ fees and litigation expenses approved by the Court; (2) certain tax expenses; (3) a service award to the Lead Plaintiff approved by the Court; and (4) for any and all Settlement Class Members who submit valid Requests for Exclusion, the pro rata amount those Settlement Class Members would have received had they not chosen to submit such a request.
4. Class Members who have transferred their interest in any Mini-Bond will not receive a distribution from the Settlement Benefit.
5. Class Counsel and the Lead Plaintiff will continue to represent your interests in this case. At the outset in April 2019, Class Counsel agreed to handle the case on a “contingent” basis and to advance all costs and expenses on behalf of the Lead Plaintiff and the Settlement Class. Class Counsel intend to file a motion for attorneys’ fees to be paid from the Settlement Benefit in an amount not to exceed 33% of the Settlement Benefit and expenses advanced by Class Counsel to be paid from the Settlement Benefit. Class Counsel’s Motion for Attorneys’ Fees and Expenses must be approved by the Court. Class Counsel will also seek approval of the Lead Plaintiff’s service award of five thousand dollars (\$5,000.00) to recognize his time, energy, and commitment during the litigation.
6. In completing the settlement approval process, Lead Plaintiff will petition the Court for a Final Order dismissing this case as to the Class Members with prejudice, and any person who remains in the Settlement Class and does not request exclusion from the Settlement will be bound by it.

B. If you want to exclude yourself from the proposed Settlement, this is what you must do.

If you want to exclude yourself from this proposed Settlement, you must mail or deliver a Request for Exclusion to the Settlement Administrator at the address set forth below. Your Request for Exclusion must contain the following information **and must be signed by the Settlement Class Member or in the case of an entity, signed by an authorized representative**: (1) the full name of the Settlement Class Member; (2) the current address of the Settlement Class Member, and if the

Settlement Class Member is an entity, provide the full name and current address of the appropriate contact person; (3) a statement that the Settlement Class Member “requests exclusion from the Settlement Class in *Turka v. South Carolina Public Service Authority and Lonnie N. Carter*, Case No. 2:19-cv-1102-RMG”; (4) a statement of the amount of money invested in Santee Cooper Mini-Bonds that the Settlement Class Member purchased, acquired, and/or redeemed during the Class Period; and (5) state in express and clear terms the Settlement Class Member’s desire to be excluded from the Settlement and from the Settlement Class. Failure to comply with these requirements and to timely submit a proper Request for Exclusion shall result in the Settlement Class Member being bound by the terms of the Settlement.

A Request for Exclusion Form is available at www.strategicclaims.net/santee-cooper-settlement/ for your convenience. You must mail or deliver your Request for Exclusion to:

Santee Cooper Securities Litigation
EXCLUSIONS
c/o Strategic Claims Services
600 North Jackson Street – Suite 205
Media, PA 19063

To be effective, the Request for Exclusion must be completed, signed, and postmarked or delivered no later than April 12, 2021.

By making this election to be excluded from the proposed Settlement:

1. You will not receive any payments from the Settlement;
2. You may not file an objection to the Settlement;
3. You will not be bound by any determinations or any judgment made in this lawsuit, whether favorable or unfavorable, and you will not be entitled to any relief awarded to the Settlement Class under the Settlement or otherwise; and
4. You may attempt to pursue any claims you have against Defendants at your own risk and expense by filing your own lawsuit.

C. If you wish to object to any portion of the Settlement, this is what you must do:

If you remain a member of the Settlement Class, you have the right to object to the fairness of any aspect of the proposed Settlement. If you wish to object, you must file with the Court a **written** statement containing objection(s) specifically referring to *Murray C. Turka, on behalf of himself and all others similarly situated v. South Carolina Public Service Authority and Lonnie N. Carter*, Case No. 2:19-cv-1102-RMG. All objections must include the following information: (1) the full name of the Class Member; (2) the current address of the Class Member; (3) identification of the Mini-Bond(s) purchased, including documents sufficient to prove membership in the Settlement Class, including the investment history in Santee Cooper Mini-Bonds during the Class Period, as well as the dates of each such purchase/acquisition and/or redemption; (4) all specific objections and the reasons in support thereof; and (5) any and all supporting papers. If a Class Member intends to appear and request to be heard, either individually or through counsel, the Class Member or his or her counsel must file a notice of appearance no later than April 27, 2021. If you intend to object through counsel, your attorney must append a list of all prior objections previously filed by such counsel to class action settlements in state and federal courts, and with respect to each, provide (1) the case number; (2) the court where the prior objection was filed; and (3) the outcome

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of the objection.

Any Class Member who does not properly file and serve a timely written objection to the Settlement shall not be permitted to object to the Settlement at the Final Approval Hearing and shall be foreclosed from seeking review of the Settlement by appeal, collateral attack, or otherwise.

To file your objection with the Court, you must file your written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the District of South Carolina (Charleston Division) at the address set forth below on or before April 12, 2021. You must also serve the papers on the representatives for Class Counsel and Defendants' Counsel at the addresses set forth below so that the papers are *received* on or before April 12, 2021.

| Clerk's Office | Representative for Class Counsel | Representative Counsel for Defendants |
|---|--|--|
| United States District Court District of South Carolina (Charleston Division) Clerk of Court Charleston Federal Courthouse 85 Broad Street Charleston, SC 29401 | Hopkins Law Firm, LLC William E. Hopkins, Jr. 12019 Ocean Highway P.O. Box 1995 Pawleys Island, SC 29585 | Nelson Mullins Riley & Scarborough, LLP Carmen Harper Thomas 1320 Main Street, 17th Floor Columbia, SC 29201 |

PLEASE DO NOT CALL THE COURT. To be effective, the objection must be postmarked or delivered to the Court and Counsel no later than April 12, 2021.

THE FINAL APPROVAL HEARING AND RELEASE OF CLAIMS

The Final Approval Hearing. A final hearing to consider the fairness and adequacy of this proposed Settlement and to consider Class Counsel's Motion for Attorneys' Fees and Expenses will be held before the Honorable Richard M. Gergel on **May 12, 2021 at 10:00 A.M.**, at the **United States District Court for the District of South Carolina, Charleston Federal Courthouse, 85 Broad Street, Charleston, SC 29401** or via Webex or other video conferencing means and in compliance with any Standing Order regarding COVID-19.

Release. The proposed Settlement is intended to resolve and terminate all claims that were raised or could have been raised by or on behalf of the Class Members as alleged in the Complaint in this matter relating to (1) the issuance of Santee Cooper Mini-Bonds during the Class Period; (2) Class Members' status as purchasers or holders of Mini-Bonds during the Class Period; (3) any act or omission of the Releasees (or any of them) regarding Releasees' representations or statements about the Project as alleged in the Action; (4) any act or omission of the Releasees (or any of them) that could have been alleged in the Action; (5) or any act or omission of the Releasees (or any of them) that could have been alleged in another action directly, representatively, derivatively, or in any other capacity in another court, tribunal, or other forum regarding Class Members' purchase of Mini-Bonds during the Class Period. The proposed Settlement, if finally approved by the Court, will result in the release by each Class Member of all such claims, **as more specifically provided in the Settlement Agreement.** The claims against Defendants alleged in the Complaint will be dismissed with prejudice as to all Class Members.

FREQUENTLY ASKED QUESTIONS

What will it cost me to remain a member of the Settlement Class?

You will be represented by Class Counsel if you do not elect to exclude yourself from the proposed Settlement. There is no out-of-pocket cost for this representation to any member of the Settlement Class regardless of the outcome. Class Counsel agreed to handle the case on a contingent basis and to advance all attorneys' fees, litigation expenses, and costs on behalf of the Lead Plaintiff and the Settlement Class.

Class Counsel intend to file a motion for attorneys' fees to be paid from the Settlement Benefit in an amount not to exceed 33% of the Settlement Benefit and expenses advanced by Class Counsel to be paid from the Settlement Benefit, which is an amount not to exceed two million dollars (\$2,000,000.00). The Court will determine whether attorneys' fees, expenses, and costs will be awarded and, if so, what the amount of the attorneys' fees, expenses, and costs will be.

What if the address at which I received the Postcard Notice is no longer current?

If your mailing address has changed, or is expected to change in the future, or if you received the Postcard Notice at an address other than that listed on the envelope, you should send your new mailing address to the Settlement Administrator at:

Santee Cooper Securities Litigation
EXCLUSIONS
c/o Strategic Claims Services
600 North Jackson Street – Suite 205
Media, PA 19063

Where can I get more information?

The descriptions in this Notice of the claims and Settlement documents in this case are only summaries. If you have any questions or would like more information, please contact the Settlement Administrator by phone at (866) 274-4004; by e-mail at info@strategicclaims.net; or via www.strategicclaims.net/santee-cooper-settlement/. You may also consult with your own attorney.

The Settlement Agreement and all other documents filed in this lawsuit may be reviewed and copied at the Charleston Federal Courthouse, 85 Broad Street, Charleston, SC 29401. You may also view the Settlement Agreement and other Settlement related documents at www.strategicclaims.net/santee-cooper-settlement/.

Please do not call the Judge, Clerk, or Court about this Notice or lawsuit. They will not be able to give you advice or answer your questions.